



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
LANSING

JANET OLSZEWSKI
DIRECTOR

May 14, 2007

Mary P. Levine, Acting General Counsel, MSHDA
Director of Legal Affairs
PO Box 30044
Lansing, MI 48909

Dear Ms. Levine:

Thank you for the opportunity to comment on changes in the 2007 Qualified Allocation Plan.

- Recommendation 1: Increase the Supportive Housing Set-Aside from 15% to 25% of the total allocation of credit.
- Recommendation 2: Award Supportive Housing Set-Aside credits only to Supportive Housing units.
- Recommendation 3: Increase the minimum percentage of Supportive Housing units to qualify for the Supportive Housing Set-Aside from 25% to 33%.
- Recommendation 4: Increase the number of points awarded to mixed-income projects including Supportive Housing units that are not applying to the Supportive Housing Set-Aside.
- Recommendation 5: Authorize MSHDA's Supportive Housing Division to establish and revise the criteria and process involving the Tax Credit Application Addendum III, including ranking or prioritizing all project applications to the Supportive Housing Set-Aside.
- Recommendation 6: Continue to exempt Supportive Housing units from 110% of the HUD 221(D)(3) Mortgage Limit or \$90,000 per unit. Change the definition from the current "Developments processed under the Corporation for Supportive Housing/MSHDA initiative" to something like "applications receiving approval of an Addendum III."
- Recommendation 7: Maintain or increase the Preservation Set-Aside.
- Recommendation 8: Require all tax credit projects to include 10% of units at or below 30% AMI.
- Recommendation 9: Require 10% of units to meet Universal Design standards.
- Recommendation 10: Establish a set aside for Elderly Projects with services.

We look forward to our continued collaboration through the Low Income Housing Tax Credit Program to establish housing units that are affordable and accessible.

Sincerely,

David T. Verseput, Director
Division of Community Living